

SINDICATO DE ASEGURADORES PARA LA SUSCRIPCIÓN CONJUNTA DE
SEGURO DE RESPONSABILIDAD PROFESIONAL MEDICO-HOSPITALARIA

PO Box 9023875, San Juan PR 00902-3875

(Hereinafter called "the Syndicate")

Professional Liability Insurance Policy (Claims Made)

WE HEREBY CERTIFY THAT
THIS IS TRUE AND EXACT
COPY OF THE ORIGINAL

SIMED



RENEWAL ENDORSEMENT

BY:

For attachment to PRM0006896

in accordance with the Continuous Renewal Endorsement attached to and forming part of the above referenced policy, and subject to the payment of the total renewal premium, or the applicable down payment if the policy is subject to our deferred payment plan, the policy will be renewed for the policy period stated below subject to all its terms and conditions.

The policy to which this Renewal Endorsement is attached will be renewed according to the information indicated below, which was previously provided by the Insured to the Syndicate. Accordingly, if there has been any change in said information, the Insured must notify in writing to the Syndicate of such changes before the commencement date of the renewal policy period or immediately upon becoming aware of said changes so that the necessary changes may be made and your policy is not affected. If no changes are notified to the Syndicate, it is understood and agreed that the information indicated below continues to be valid and correct.

Insured and Address DR. IVAN TERON MENDEZ PO BOX 568 MOCA, PR 006760000	Specialty and/or Class Code: 080267 PEDIATRICS - NO SURGERY License No.: 011671
Policy Period: From: 03/29/1999 To: 03/29/2000 12:01 AM Standard time at the address of the Insured named in item 1	

Type and number of professional employees of the Insured is as follows: (None unless otherwise indicated)

Retroactive Date: 03/29/1995	Audit Period: (Annually, unless otherwise indicated)
The Insured: (A) is not connected with any partnership; (B) is not an owner or operator of a hospital, sanitarium or clinic with bed and board facilities; (C) does not perform major surgery; (D) does not perform minor surgery; (E) does not use x-ray apparatus for therapeutic treatment; (F) has no other professional specialty. Exception to items (A), (B), (C), (D), (E) or (F) (Absence of any entry means "No Exceptions"):	

The insurance afforded is only with respect to such of the following coverages as are indicated by specific premium charge or charges, subject to the limits of liability stated herein and to all the terms of this policy relating thereto:			
Coverage	Limits of Liability	Advance Premium	
INDIVIDUAL PROFESSIONAL LIAB	\$ 100,000 Each Medical Incident	\$ 300,000 Aggregate	\$ 936.00
Form number of endorsements forming part of this policy at issue: OSME-10-97 00SMA-3-88 000SM-1-87 OSME-14-97 00SME-3-87 OSME-26-98 00SME-4-87			

Countersigned on 01/29/1999, at San Juan, PR by

Authorized Representative



Please note that your payment must be received at SIMED on or before commencement date of the policy period indicated above for this policy to be effective or continue in effect, as applicable.

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**SINDICATO DE ASEGURADORES PARA LA SUSCRIPCION CONJUNTA DE
SEGURO DE RESPONSABILIDAD PROFESIONAL MEDICO-HOSPITALARIA**

(Hereinafter called "the Syndicate")

PO Box 9023875

San Juan PR 00902-3875

This endorsement forms a part of the policy to which attached, effective on the inception date of the policy unless otherwise stated herein. All policy provisions and conditions not amended herein remain unchanged. (The information in the heading of this endorsement is required only when the endorsement is issued subsequent to policy.)

Endorsement effective 03/29/1999

Policy No.

PRM0006896

TRUE AND EXACT

COPY OF THE ORIGINAL

SIMED

BY:

BL

Named Insured DR. IVAN TERON MENDEZ

This endorsement changes the policy. Please read it carefully.

**EXCLUSION - YEAR 2000 COMPUTER-RELATED
AND OTHER ELECTRONIC PROBLEMS**

This endorsement modifies insurance provided under the following:

PYHSICIANS, SURGEONS AND DENTISTS PROFESSIONAL LIABILITY INSURANCE POLICY

The following exclusion is added to section II. Exclusions:

II. Exclusions

This policy does not apply:

(11) to injury arising directly or indirectly out of:

- a. Any actual or alleged failure, malfunction or inadequacy of any "machine equipment, device, system, or component thereof", whatever its use or purpose and whether or not the property of the Insured, to correctly recognize, accept, process, distinguish, interpret or perform any function involving:
 - (a) any date or time after September 8, 1999;
 - (b) any date, time, or data representing or referring to different centuries or more than one century;
 - (c) the change of the Year 1999 to the Year 2000;
 - (d) the Year 2000 as a leap year;

whether such actual or alleged failure, happens before, during, or after the Year 2000.

- b. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by the Insured or for the Insured to determine, rectify or test for, any potential or actual problems described in Paragraph (11)a. of this endorsement.

For purposes of this Exclusion, "machine, equipment, device, system, or component thereof", includes, without limitation, any computer, computer hardware, computer software program, computer chip, embedded chip, computer network or computer system, information system, control system, records system, accounting system, safety or security system, operating system, building or plant system, telecommunications system, mechanical system, automated system, electronic data processing system, business system, business machine, medical equipment, medical device, microprocessor, microchip, timer, any other computerized or electronic equipment or component, or any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of items mentioned in this paragraph.

All other terms and conditions of the policy remain unchanged.

Countersigned on 01/29/1999

at San Juan, PR by

Maria L. C. Alfaro

(Authorized Representative)

S I M E D**SINDICATO DE ASEGURADORES PARA LA SUSCRIPCION CONJUNTA DE
SEGURO DE RESPONSABILIDAD PROFESIONAL MEDICO-HOSPITALARIA**(Hereinafter Called "The Syndicate")
PO Box 9023875, San Juan ,PR 00902-3875

This endorsement forms a part of the policy to which attached, effective on the inception date of the policy unless otherwise stated herein. All policy provisions and conditions not amended herein remain unchanged. (The information in the heading of this endorsement is required only when the endorsement is issued subsequent to policy.)

Endorsement Effective : 03/29/2001

WE HEREBY CERTIFY THAT
THIS IS TRUE AND EXACT
COPY OF THE ORIGINAL
SIMED
BY: *[Signature]*

Policy No. PRM0006896

Insured : DR. IVAN TERON MENDEZ

EXCLUSION-MANAGED CARE SERVICES

This endorsement modifies insurance provided under the following:

PHYSICIANS, SURGEONS AND DENTISTS PROFESSIONAL LIABILITY INSURANCE POLICY

It is understood and agreed that the coverage afforded under this policy shall not apply to any liability arising out of the ownership, management or control of any Health Maintenance Organization, Preferred Provider Organization, Independent Practice Association, or other similar managed care organization. This exclusion does not apply to the insured's participation as a provider of health care services to any Health Maintenance Organization, Preferred Provider Organization, Independent Practice Association or other similar managed care organization, provided that such facility is not owned, managed or controlled by the insured.

Countersigned on 01/25/2001 at San Juan, PR by

 (Authorized Representative)

S I M E D
SINDICATO DE ASEGURADORES PARA LA SUSCRIPCION CONJUNTA DE
SEGURO DE RESPONSABILIDAD PROFESIONAL MEDICO-HOSPITALARIA
PO Box 9023875, San Juan PR 00902-3875

This endorsement forms a part of the policy to which attached, effective on the inception date of the policy unless otherwise stated herein
(The following information is required only when this endorsement is issued subsequent to preparation of policy.)

Endorsement effective 03/29/1998

Policy No. PRM0006896

Named Insured DR. IVAN TERON MENDEZ

I HEREBY CERTIFY THAT
THIS IS TRUE AND EXACT
COPY OF THE ORIGINAL

SIMED

BY:

AMENDMENT TO THE MANDATORY PREMIUM AND COVERAGE CONDITIONS ENDORSEMENT

This endorsement modifies such insurance as is afforded by the provisions of the:

**HOSPITAL PROFESSIONAL
LIABILITY INSURANCE POLICY (CLAIMS MADE)**

**PHYSICIANS, SURGEONS AND DENTISTS PROFESSIONAL
LIABILITY INSURANCE POLICY (CLAIMS MADE)**

It is agreed that the item (C) of the additional condition 2 **Policy Premium Due at any Installment Date after Inception Date** is amended to read as follows :

(C) A statement to the effect that if such payment is not paid in full and is not received by the Syndicate on or before the due date of the installment premium, the Syndicate shall mail to the Insured a Notice of Cancellation in accordance with the cancellation condition of the policy.

Countersigned by

(Authorized Representative)

S I M E D
SINDICATO DE ASEGURADORES PARA LA SUSCRIPCION CONJUNTA DE
SEGURO DE RESPONSABILIDAD PROFESIONAL MEDICO-HOSPITALARIA
PO Box 9023875, San Juan PR 00902-3875

This endorsement forms a part of the policy to which attached effective on the inception date of the policy unless otherwise stated herein.
(The following information is required only when this endorsement is issued subsequent to preparation of policy.)

Endorsement effective 03/29/1998

Policy No. PRM0006896

Named Insured

DR. IVAN TERON MENDEZ

MEMORANDUM CERTIFY THAT
THIS IS TRUE AND EXACT
COPY OF THE ORIGINAL

SIMED

BY:

BLC

AMENDMENT TO THE MANDATORY PREMIUM AND COVERAGE CONDITIONS ENDORSEMENT

This endorsement modifies such insurance as is afforded by the provisions of the:

**HOSPITAL PROFESSIONAL
LIABILITY INSURANCE POLICY (CLAIMS MADE)**

**PHYSICIANS, SURGEONS AND DENTISTS PROFESSIONAL
LIABILITY INSURANCE POLICY (CLAIMS MADE)**

It is agreed that the number of days required for the **installment premium due notice**, as provided in paragraph 1. of the condition 2. **Policy Premium Due at any Installment Date after Inception date**, is reduced to ten (10) calendar days prior to the date of the installment premium.

Countersigned by

Manuel C. Alfaro
(Authorized Representative)

SINDICATO DE ASEGURADORES PARA LA SUSCRIPCION CONJUNTA DE SEGURO DE
RESPONSABILIDAD PROFESIONAL MEDICO-HOSPITALARIA

BY CERTIFY THAT
THIS IS TRUE AND EXACT
COPY OF THE ORIGINAL
SIMED

CONTINUOUS RENEWAL ENDORSEMENT

BY: *BLC*

To be attached to and forming part of Policy No. _____

It is hereby understood and agreed that the policy to which this endorsement is attached, is hereby amended as follows:

In consideration of the Insured's payment of the required future renewal premiums and subject to the rules and rates then in force, this policy shall be automatically renewed for successive one year periods until cancelled pursuant to its cancellation clause.

This endorsement is subject otherwise to all of the terms, exclusions and conditions of the above mentioned policy.

Form No. SME-3-87

INSURED

COMPANY

AGENT



I HEREBY CERTIFY THAT
THIS IS TRUE AND EXACT
COPY OF THE ORIGINAL
SIMED

BY: _____

[Signature]

**SINDICATO DE ASEGURADORES PARA LA SUSCRIPCION CONJUNTA DE SEGURO DE
RESPONSABILIDAD PROFESIONAL MEDICO-HOSPITALARIA**
(Hereinafter called "the Syndicate")

MANDATORY PREMIUM AND COVERAGE CONDITIONS ENDORSEMENT

To be attached to and forming part of Policy No. PRM-6896

Pursuant to the regulations approved by the Commissioner of Insurance of Puerto Rico, this policy is amended according to the following additional conditions and stipulations:

1. POLICY PREMIUM DUE AT INCEPTION DATE

Insurance Coverage is afforded by this policy only if:

- (a) The total advance premium due is paid in full and received by the Syndicate on or before the inception date of the policy, or
- (b) The down payment of the Syndicate's deferred premium payment plan, if available, and attached to and forming part of this policy, is received by the Syndicate on or before the inception date of the policy.

2. POLICY PREMIUM DUE AT ANY INSTALLMENT DATE AFTER INCEPTION DATE

Premium collection notice for any installment Premium must be sent by the Syndicate not less than twenty (20) calendar days prior to the due date of the installment premium. Such notice shall contain the following:

- (a) The amount of the premium due at installment date,
- (b) The date the installment premium is due and payable,
- (c) A statement to the effect that if such payment is not paid in full and is not received by the Syndicate on or before the due date of the installment premium, the policy is cancelled as of such date.

3. ENDORSEMENT PREMIUM

Any endorsement issued after the inception date of the policy affording additional insurance shall not be effective until the total additional premium due thereof is paid in full to the Syndicate or a down payment, in accordance with the Syndicate's deferred premium payment plan, is received as provided in item 1(b) above.

I HEREBY CERTIFY THAT
THIS IS TRUE AND EXACT
COPY OF THE ORIGINAL
SIGNED

BY: _____

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4. PREMIUM CORRECTIONS

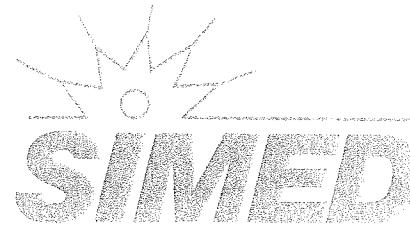
Additional premiums due because of adjustments in rates or premium bases, as determined by the Syndicate shall be paid in full within fifteen (15) calendar days from the date of the corrective endorsement or billing date whichever is later; or deferred in accordance to item 1(b) above; otherwise, the Syndicate shall mail to the Insured a Notice of Cancellation in accordance with the Cancellation Clause of this policy. The Corrective endorsement shall be issued within thirty (30) calendar days from the date the Syndicate becomes aware of the correct premium bases or rates.

5. LATE PAYMENTS

If payment in full of any premium payable (or a down payment in accordance with the Syndicate's deferred premium payment plan) is received by the Syndicate after the corresponding due date and not later than fifteen (15) calendar days after such due date, the Syndicate may, if it so desires and as it may apply, issue for items number 1 and 3 above a change of Effective Date of Coverage Notice or for items number 2 and 4, a Limited Reinstatement Notice stating that the insurance afforded by the policy (or endorsement) is put into effect or reinstated as of the date of receipt of payment and

- (a) notifying the Insured the term for which coverage is not afforded and the amount of premium owed to the Insured, or
- (b) only with respect to items number 1 and 2 above amending the installment term and expiration date by the same number of days that coverage was not afforded.

This endorsement is subject otherwise to all of the terms, exclusions and conditions of the aforementioned policy.



I HEREBY CERTIFY THAT
THIS IS A TRUE AND EXACT
COPY OF THE ORIGINAL
SIMED
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**SINDICATO DE ASEGURODORES PARA LA SUSCRIPCION CONJUNTA DE SEGURO
DE RESPONSABILIDAD PROFESIONAL MEDICO-HOSPITALARIA**

**PO Box 9023875
San Juan, Puerto Rico 00902-3875**

(An Insurers Syndicate created pursuant to Chapter 41 of the Insurance Code of Puerto Rico,
hereinafter called "the Syndicate")

**PHYSICIANS, SURGEONS AND DENTISTS PROFESSIONAL LIABILITY
INSURANCE POLICY (CLAIMS MADE)**

NOTICE

THIS IS KNOWN AS A "CLAIMS MADE" POLICY. EXCEPT TO THE EXTENT AS MAY BE PROVIDED HEREIN, THIS COVERAGE IS LIMITED TO CLAIMS ARISING FROM THE RENDERING OF OR FAILURE TO RENDER PROFESSIONAL SERVICES ON OR AFTER THE RETROACTIVE DATE STATED IN THE DECLARATIONS AND FIRST MADE AGAINST THE SYNDICATE WHILE THIS POLICY IS IN FORCE. PLEASE READ THE POLICY CAREFULLY.

In consideration of the payment of the premium, in reliance upon the statements in the declarations and application attached hereto and made a part hereof and subject to all the terms of this policy, the Syndicate agrees with the Insured as follows:

I. COVERAGE AGREEMENTS

The Syndicate will pay on behalf of the Insured, with respect only to his practice within the Commonwealth of Puerto Rico:

COVERAGE A - INDIVIDUAL PROFESSIONAL LIABILITY

All sums which the Insured shall become legally obligated to pay as damages because of injury to which this policy applies caused by medical incident, occurring on or after the retroactive date, for which a claim is first made against the Insured and reported to the Syndicate during the policy period, arising out of the rendering of or failure to render professional services by the Insured as a physician, surgeon or dentist.

I HEREBY CERTIFY THAT
THIS IS TRUE AND EXACT
COPY OF THE ORIGINAL
SIGNED
BCC

COVERAGE B - PARTNERSHIP PROFESSIONAL LIABILITY

All sums which the Insured shall become legally obligated to pay as damages because of injury to which this policy applies caused by medical incident, by any person for whose acts or omissions the professional partnership insured is legally responsible, occurring on or after the retroactive date, for which a claim is first made against the Insured and reported to the Syndicate during the policy period.

The Syndicate shall have the right and duty to defend any suit against the Insured seeking damages because of such injury even if any of the allegations of the suit are groundless, false or fraudulent. The Syndicate may make such investigation and settlement of any claim or suit as it deems expedient. The Syndicate shall not be obligated to pay any claim or judgment or to defend or continue to defend any suit after the applicable limit of the Syndicate's liability has been exhausted by payment of judgement or settlements or by making available to the Insured the limits of the policy.

II. EXCLUSIONS

This policy does not apply:

- (1) to injury arising out of any dishonest, fraudulent, criminal, malicious or intentional wrongful acts, committed by or at the direction of the Insured;
- (2) to injury for which the Insured may be held liable as a proprietor, superintendent, partner, hospital administrator, officer, stockholder or member of the board of directors, trustees or governors of any hospital, sanitarium, clinic with bed and board facilities, nursing home, laboratory or other business enterprise;
- (3) under Coverage A - Individual Professional Liability - to injury arising out of the rendering of or failure to render professional services to any person for whose acts or omissions the Insured may be held liable as a member, partner, officer or director of any professional partnership;
- (4) to bodily injury to any employee of the Insured arising out of and in the course of that person's employment by the Insured;
- (5) to any obligation for which the Insured or any carrier acting as an insurer may be held liable under any worker's compensation unemployment compensation or disability benefits law or under any similar law;
- (6) to any act committed in violation of any law or ordinance;
- (7) to liability of others assumed by the Insured under any contract or agreement;

- (8) to any claim or claims arising out of acts or omissions which occurred prior to the retroactive date or which occur subsequent to the termination date of this insurance;
- (9) to any claim first made against the Insured prior to the inception date or after the termination date of this policy, provided however, coverage may otherwise be afforded for claims made subsequent to the termination date of this policy pursuant to Sections IX, X and XI;
- (10) to punitive or exemplary damages, fines or penalties.

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DEFINITY CLASS
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COPY OF THE ORIGINAL
SIGNED
BLC

III. WHEN CLAIM IS TO BE CONSIDERED AS FIRST MADE

A claim for injury shall be considered as being first made at the earlier of the following times:

- (1) when the Insured first gives written notice to the Syndicate that a claim has been made,
- (2) when the claimant first gives written notice to the Syndicate of a claim, or
- (3) when the Insured first gives written notice to the Syndicate of:
 - (a) a specific act, error or omission which may subsequently give rise to an actual claim or suit, arising out of the rendering of or failure to render professional services;
 - (b) the injury or damage which has resulted or may result from such act, error or omissions; and
 - (c) the circumstances by which the Insured first became aware of such act, error or omission.

The giving of first written notice to the Syndicate shall be considered to have occurred as of the postmarked date of said written notice or if delivered personally, as of the date on which it is received by the Syndicate.

Reports of incidents made by the Insured to the Syndicate as part of engineering or loss control services shall not be considered notice of claim.

All claims arising out of the same medical incident shall be considered as having been made at the time the first claim is made.

IV. PERSONS INSURED

Each of the following is an Insured under this policy to the extent set forth below:

(1) under Coverage A - Individual Professional Liability - such individual named in the declarations as Insured;

(2) under Coverage B - Partnership, Professional Liability - the partnership described in the declarations and any member, partner, officer or director thereof with respect to acts or omissions of others, provided no such member, partner, officer or director of a partnership, shall be an Insured under this paragraph (2) with respect to acts or omissions in the furnishing of professional services by the Insured or any person acting under the Insured's personal direction, control or supervision.

V. LIMITS OF LIABILITY

COVERAGE A - INDIVIDUAL PROFESSIONAL LIABILITY

The total liability of the Syndicate for all damages because of all injury to which this policy applies shall not exceed the limit of liability stated in the declarations as "aggregate".

Subject to the above provision with respect to "aggregate", the total liability of the Syndicate for all damages because of all injury arising out of any one medical incident shall not exceed the limit of liability stated in the declarations as applicable to "each medical incident".

Such limits of liability shall apply separately to each insured.

COVERAGE B - PARTNERSHIP PROFESSIONAL LIABILITY

Regardless of the number of Insureds under this policy or the number of claims made or suits brought, the Syndicate's liability is limited as follows:

The total liability of the Syndicate for all damages because of all injury to which this policy applies shall not exceed the limit of liability stated in the declarations as "aggregate".

Subject to the above provision with respect to "aggregate", the total liability of the Syndicate for all damages because of all injury caused by any one medical incident shall not exceed the limit of liability stated in the declarations as applicable to "each medical incident".

VI. SUPPLEMENTARY PAYMENTS

The Syndicate will pay, in addition to the applicable limit of liability:

- (1) all expenses incurred by the Syndicate, all costs taxed against the Insured in any suit defended by the Syndicate, excluding prejudgment interest, and all interest on the entire amount of any judgment therein

- (2) all premiums on appeal bonds required in any such suit, premiums on bonds to release attachments in any such suit for an amount not in excess of the applicable limit of liability of this policy, but the Syndicate shall have no obligation to apply for or furnish any such bonds;
- (3) reasonable expenses incurred by the Insured at the Syndicate's request in assisting the Syndicate in the investigation or defense of any claim or suit.

VII. DEFINITIONS

When used in reference to this policy (including endorsements forming a part of this policy):

"extended reporting period" means the time after the end of the policy period for reporting claims arising out of a medical incident occurring on or after the retroactive date and prior to the end of the policy period and otherwise covered by this policy.

"medical incident" means any act or omission:

- (1) under Coverage A - Individual Professional Liability - (a) in the furnishing of professional medical or dental services by the Insured, any employee of the Insured, or any person acting under the personal direction, control or supervision of the Insured, or (b) in the service by the Insured as a member of a formal accreditation, standards reviews or similar professionals board or committee.
- (2) under Coverage B - Partnership Professional Liability - in the furnishing of professional medical or dental services by (a) any member, partner, officer or director or employee of the Insured, or (b) any person acting under the personal direction, control or supervision of the Insured.

THIS IS A TRUE AND EXACT COPY OF THE ORIGINAL
SINCE [Signature]

BY: _____

Any such act or omission, together with all related acts or omissions in the furnishing of such services to any one person shall be considered one medical incident.

"retroactive date" means, if not otherwise stated, the same date as of the inception date of the first of a series of continued renewal claims made policies written by the Syndicate.

VIII. CONDITIONS

(1) PREMIUM

All premiums for this policy shall be computed in accordance with the Syndicate's rules, rates, rating plans, premiums and minimum premiums applicable to the insurance afforded herein.

Premium designated in this policy as "advance premium" is a deposit premium only which shall be credited to the amount of the earned premium due at the end of the policy period. At the close of each period (or part thereof terminating with the end of the policy period) designated in the declarations as the audit period the correct earned premium shall be computed for such period. If the total correct earned premium for the policy period is less than the premium previously paid, the Syndicate shall return to the Insured the unearned portion paid by the Insured. If on the contrary, the total correct earned premium for the policy period is greater than the premium previously paid, upon notice thereof to the Insured the difference in premiums shall become due and payable by the Insured.

The Insured shall maintain records of such information as is necessary for premium computation, and shall send copies of such records to the Syndicate at the end of the policy period and at such times during the policy period as the Syndicate may direct.

(2) ASSISTANCE AND COOPERATION OF INSURED

The Insured shall give written notice to the Syndicate as soon as practicable of any claim or suit made against the Insured or of any specific circumstances involving a particular person likely to result in a claim or suit. The notice shall identify the Insured and contain reasonable obtainable information with respect to the time, place and circumstances of the injury including the names and addresses of the Insured, any injured person and of available witnesses and the extent of the type of claim anticipated. If a claim is made or suit is brought against the Insured, the Insured shall immediately forward to the Syndicate every demand, notice, summons or other process received by the Insured or the Insured's representative.

The Insured and each of its employees shall cooperate with the Syndicate and, upon the Syndicate's request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the Insured because of injury or damage with respect to which insurance is afforded under this policy; and the Insured, and any of its members, partners, officers or directors, and employees that the Syndicate deems necessary shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The Insured shall not, except at the Insured's own cost, voluntarily make any payment, assume any obligation or incur any expense.

THIS IS A COPY OF THE ORIGINAL
THIS IS TRUE AND EXACT
COPY OF THE ORIGINAL
SIGNED
BY: 

(3) ACTION AGAINST SYNDICATE

No action shall lie against the Syndicate unless, as a condition precedent thereto, the Insured shall have fully complied with all the terms of this policy.

(4) OTHER INSURANCE

If the Insured has other valid and collectible insurance against a loss covered by this policy, the insurance hereunder shall apply only as excess insurance over any other valid and collectible insurance and shall apply only in the amount by which the applicable limits of liability of this insurance exceed the sum of the applicable limits of liability of all other such insurance.

(5) SUBROGATION

In the event of any payment under this policy, the Syndicate shall be subrogated to all the Insured's rights of recovery against any person or organization, and the Insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The Insured shall do nothing to prejudice such rights.

(6) CHANGES

Notice to any representative of the Syndicate or knowledge possessed by the representative or by any other person shall not effect a waiver or a change in any part of this policy or stop the Syndicate from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy, signed by an authorized representative of the Syndicate. The Insured, by acceptance of this policy, agrees that the terms of this policy embody all agreements existing between the Insured and the Syndicate or its agents or representatives relating to the insurance described herein.

(7) ASSIGNMENT

The interest hereunder of any Insured is not assignable.

Under Coverage A - Individual Professional Liability - if the Insured shall die or be adjudged incompetent, this policy shall thereupon terminate for such person but such insurance as is afforded by this policy shall apply to the Insured's legal representative, but only while acting within the scope of his duties as such, with respect to acts or omissions previously incurred and covered by this policy.

THIS IS A COPY OF THE POLICY
WHICH IS TRUE AND EXACT
COPY OF THE ORIGINAL
SIGNED
BY: *BNC*

Under Coverage B - Partnership Professional Liability - if any member, partner, officer or director of the Insured shall die or be adjudged incompetent, this policy shall thereupon terminate for such person, but such insurance as is afforded by this policy shall apply to the Insured's legal representative, but only while acting within the scope of his duties as such, with respect to acts or omissions previously incurred and covered by this policy.

(8) CANCELLATIONS

This policy may be cancelled by the Insured by surrender thereof to the Syndicate or by mailing to the Syndicate written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by the Syndicate by mailing to the Insured at the last address the Insured has informed the Syndicate of in writing or, otherwise, at the address shown in this policy, written notice stating when not less than ten days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the Insured or by the Syndicate shall be equivalent to mailing.

The Syndicate shall notify to the Board of Dental Examiners or to the Board of Medical Examiners as may apply, the cancellations or termination of this policy. If cancellation or nonrenewal is made by the Syndicate written notice shall be given to the aforementioned boards, as may apply, at least ten days prior to such cancellation or nonrenewal. If cancellation or nonrenewal is made by the Insured written notice shall be given to the applicable boards before such cancellation or nonrenewal becomes effective.

Cancellations of this policy by the Syndicate may only be made for any of the following reasons:

- (a) failure of the Insured to pay any premium due;
- (b) loss by the Insured of the corresponding professional license to practice.

If the Insured cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the Syndicate cancels, earned premium shall be computed pro rata. Premium adjustment shall be made within fifteen (15) days of a request by the Insured for a return of the unearned premium, otherwise premium adjustment shall be made within ninety (90) days of the date cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

THIS IS THE ONLY EXACT
COPY OF THE ORIGINAL

SIGNED
BNC

BY:

THIS IS THE ORIGINAL
EXACT COPY OF THE ORIGINAL
SIGNED
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Once in effect, the extended reporting periods afforded under this policy may not be cancelled, except for nonpayment of premium.

The premium for the extended reporting periods describe in Section X and XI shall be fully earned at the inception of the endorsement affording coverage under either one of those sections. The Syndicate shall not return any premium in the event the Insured dies or cancels said endorsement.

(9) PENALTY

If the Insured in applying for insurance knowingly has made or caused to be made, any false or fraudulent statement or misrepresentation, omission or concealment of a fact material either to the acceptance of the risk, the hazard assumed, or the rate established for the policy the Syndicate may impose a surcharge on the premium for this policy equivalent to 200 percent of the correct premium for the corresponding policy period of said policy. Said surcharge shall be imposed immediately upon discovery of any of the above mentioned circumstances.

(10) SOLE AGENT

The Insured first named in Item I of the declarations shall act on behalf of all Insureds with respect to the giving and receiving notice of cancellation or nonrenewal, accepting any endorsement issued to forms a part of this policy and receiving return premium, if any; and is charged with the responsibility for notifying the Syndicate of any changes of members, partners, officers, directors, stockholders or employees or any other change which might affect the insurance hereunder.

(11) STATEMENTS IN DECLARATIONS AND APPLICATION

By acceptance of this policy the Insured agrees that the statements in the Declarations and Application are his agreements and representations, that this policy is issued and the corresponding premium is quoted in reliance upon the truth of such representations, and that this policy embodies all agreements existing between himself and the Syndicate or any of its representatives relating to this insurance.

This policy and the Application and Declarations therefore, copy of which have been attached to this policy and made a part thereof, shall constitute the entire contract between the parties.

(12) CONFORMITY WITH STATE STATUTES

Any provision of this policy which, on its effective date, is in conflict with the statutes of Puerto Rico is hereby amended to conform to the minimum requirements of such statutes.

DEBLY CERTIFIED
THAT THIS IS A TRUE AND EXACT
COPY OF THE ORIGINAL
SIGNED

BY:

BLC

(13) GOOD SAMARITAN CLAUSE

The territorial restriction in the Coverage Agreements to the Commonwealth of Puerto Rico does not apply with respect of a medical incident resulting from incidental and unexpected practice in:

- (a) the United States of America, its territories or possessions or Canada, or
- (b) international waters or air space, provided the incidental or unexpected practice does not occur in the course of travel or transportation to or from any other country, state or nation.

(14) INSPECTION AND AUDIT

The Syndicate shall be permitted, but not obligated to inspect the Insured's property and operations at any time. Neither the Syndicate's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the Insured or others, to determine or warrant that such property or operations are safe or healthful, or are in compliance with any law, rule or regulation.

The Syndicate may examine and audit the Insured's books and records at any time during the policy period and extensions thereof and within three years after the final termination of this policy, as far as they relate to the subject matter of this insurance.

IX. AUTOMATIC EXTENDED REPORTING PERIOD

Notwithstanding the provisions of the preceding Section I, the period for reporting claims or suits shall be automatically (and without the payment of any additional premiums) extended for a period of sixty (60) days if the insurance provided by this policy is terminated by either the Syndicate or the Insured, for whatever reason, except for the Insured's nonpayment of premiums. This sixty (60) day extended reporting period shall only apply to claims first made against the Insured during the sixty (60) days following immediately upon the effective date of such termination, but only by reason of claims because of injury to which this policy applies, arising out of the rendering of or failure to

render professional services by the Insured on or after the retroactive date of this policy and prior to the effective date of such termination, and subject otherwise to all of the terms, exclusions and conditions of this policy. There shall be no separate aggregate limit of liability for the sixty (60) day extended reporting period, and it shall be subject to the remaining aggregate limit if liability, if any, of this policy.

X. OPTIONAL EXTENDED REPORTING PERIOD FOR SPECIFIC CIRCUMSTANCES

In the event of the termination of this policy by reason of non-renewal or cancellation because of the happening of the one of the following events, the Insured, his heirs or guardian, upon payment of an additional premium to be quoted by the Syndicate, which shall not exceed 200 percent of the annual premium for the expiring policy, shall have the option to extend for an unlimited duration the period during which claims may be reported to the Syndicate, subject otherwise to all the terms, exclusions and conditions of this policy;

THIS IS A TRUE AND EXACT
COPY OF THE ORIGINAL

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BY:

- (1) the sudden death of the Insured;
- (2) the total retirement or voluntary or involuntary total separation of the Insured from the practice of medicine; or
- (3) the total disability of the Insured to carry on the practice of medicine, but only if such total disability shall have continued without significant interruption for a term of not less than six months.

This Optional Extended Reporting period shall only apply to claims first made against the Insured subsequent to the effective date of such termination, but only by reason of claims because of injury to which this policy applies, arising out of the rendering of or failure to render professional services by the Insured on or after the retroactive date of this policy and prior to the effective date of such termination and subject otherwise to all the terms, exclusions and conditions of this policy.

The Insured, his heirs or guardian, must inform the Syndicate in writing of his intent to purchase the Optional Extended Reporting Period for Specific Circumstances coverage within sixty (60) days from the date of the aforesaid termination and must pay the premium therefore in full within that sixty (60) day period. Failure to so inform and pay the Syndicate within this sixty (60) day period shall void the option to purchase the Optional Extended Reporting Period for Specific Circumstances coverage provided in this section.

The Optional Extended Reporting Period for Specific Circumstances coverage will be subject to separate per medical incident and aggregate liability limits equal to 100 percent of the expiring policy's per medical incident and aggregate limits.

I HEREBY CERTIFY THAT
THIS IS TRUE AND EXACT
COPY OF THE ORIGINAL
SIMED

BY:

RLC

XI. OPTIONAL EXTENDED REPORTING PERIOD

Notwithstanding the provisions of the preceding Section X, in the event of the termination of this policy by reason of non-renewal or cancellation by the Insured or if the Syndicate shall cancel this policy or terminate it by refusing to renew, for reasons other than the Insured's non-payment of premium then the Insured, upon payment of an additional premium to be quoted by the Syndicate, which shall not exceed 200 percent of the annual premium for this policy, shall have option to extend for an unlimited duration the period during which claims may be reported to the Syndicate, subject otherwise to all of the terms, exclusions and conditions of this policy.

This Optional Extended Reporting Period shall only apply to claims first made against the Insured subsequent to the effective date of such cancellation, non-renewal or termination, but only by reason of claims because of injury to which this policy applies arising out of the rendering of or failure to render professional services by the Insured on or after the retroactive date of this policy and prior to the effective date of such cancellation, termination or non-renewal, and subject otherwise to all the terms, exclusions and conditions of this policy.

The Insured must inform the Syndicate in writing of his intent to purchase the Optional Extended Reporting Period coverage within sixty (60) days from the date of the aforesaid termination and must pay the premium therefore in full within that sixty (60) day period. Failure to so inform and pay the Syndicate within this sixty (60) day period shall void the option to purchase the Optional Extended Reporting Period coverage provided in this section.

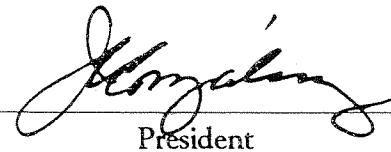
The Optional Extended Reporting Period coverage will be subject to separate per medical incident and aggregate liability limits equal to 100 percent of the expiring policy's per medical incident and aggregate limits.

IN WITNESS WHEREOF, the Syndicate has caused this policy to be signed by its President and counter-signed on the Declarations Page by a duly authorized representative of the Syndicate.



Alex J. Gonzalez

Secretary



Alex J. Gonzalez

President